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Typed or Printed Name of Person Mailing Paper or Fee: Rock W. Mowbray

Signature: Rock W. Mowbray

PATENT
Docket No. P1395

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICANT: Zhang Shao Wei, et al.

SERIAL NO. 10/033,713

EXAMINER: R. A. Hylton

FILED: December 27, 2001

ART UNIT: 3727

FOR: METHOD AND SYSTEM OF FLEXIBLE PACKAGING FOR
CONTAINMENT OF LIQUID AND GASEOUS FLUIDS

Mail Stop Amendment
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

DECLARATION

Dear Sir:

I, Bill Vernor, declare as follows:

1. I am the Vice President of Administration of Smith & Vandiver, Corporation, ("S&V"), the assignee of the subject matter of the above-identified patent application.
2. On December 21, 2001, Smith & Vandiver acquired the United States patent rights to the subject matter contained within the above-identified patent application from Double Body

Co., Ltd.

3. The subject matter contained within the above-identified patent application describes a new kind of novelty package to the specialty bath product market. It is a two-piece flexible container having a valve that contains and dispenses liquid soaps and cleansers, such as bubble bath and shampoo. S&V coined the term “Gel Pak” to describe this product and sells it under the brand name *Bathing Beauties*®, and through its Sinclair & Valentine division under the brand name *Good Clean Fun*® and *Bubblicious*®.
4. The soap, bath and shower industry is very large and competitive. It is reported that the retail market for bath and shower care products is approximately \$1.7 billion per year. This competition tends to keep unit prices for a particular item at a competitive value, while limiting increases to a minimum. Due to the competitive nature of this industry, gains in market share are normally limited to what one competitor can take from another. This competition thus creates a situation where gains in market share are obtained based on the introduction of new products. This competition further creates a situation that a product must perform well from its initial introduction into the market or will be removed never to sold again.
5. S&V first introduced the Gel Pak product in January, 2002 as a specialty bath product. This product did not replace an existing product, nor was it a modification of an existing product.


6. To the best of my knowledge, this product, i.e. a two-piece flexible container with a valve that contains and dispenses liquid soaps and cleansers, was not sold or available to the public in the United States prior to the introduction of the Gel Pak in 2002. This product introduced new packaging and presentation capabilities into the speciality bath products market for liquid soaps and similar body cleansers. The flexible container allows for many different packaging ideas, such as animal shapes and holiday-themed shapes. The inclusion of the valve allows for repeated use of the product.
7. S&V has a reputation of being an innovator in the Specialty Bath industry and have introduced several products that have sold more than one million (1,000,000) units in their first year of sales. It is due to this reputation that the inventor of the above-identified patent application, Mr. Zhang Shao Wei, along with the Double Body Company selected S&V to be the assignee of the United States rights of his invention.
8. S&V has sold the Gel Pak product to many different companies, including Wal-Mart, Target, Bed Bath & Beyond, K-Mart, Albertsons, The Gap, Costco, Eckerd Drug, Cracker Barrel and many independent gift retailers.
9. The sales data, in form of units sold, wholesale dollars and estimated retail dollars, for the Gel Pak product from the its introduction in 2002 until August, 2006 is set forth in Exhibit 1 attached hereto. More specifically, the unit sales for this product demonstrate that it has been a commercial success since its introduction. The sales figures alone show that since

its introduction in 2002, total units sold has exceeded 3 million with estimated retail sales exceeding \$7.2 million. The year by year break down includes over 500,000 units (nearly \$1 million wholesale) sold in 2002, nearly 1,000,000 units (nearly \$1.5 million wholesale) sold in 2003, and over 600,000 units (over \$1 million wholesale) sold in 2004. To have sold over 2 million units (over \$3 million wholesale) during the first three years of introduction is considered to be successful, and seen as a gain in market share, in this very competitive market, as such sales not normally expected in this industry.

10. The amount of units sold of the GEL PAK products is not due to any increase or shifting of advertisements, nor did S&V modify its marketing approach for the GEL PAK products. Further, there has been no technological breakthrough that would lead consumers to purchase the GEL PAK product over competitive products. Still further, there has been no change in consumer demand for bath soaps and shampoos that would explain the significant sales volume of the GEL PAK products.
11. It was not until the competition started selling knock-off products in late 2004 that the sales numbers dropped. Prior to the introduction of the S&V Gel Pak, no other competitor was selling a two-piece flexible container that contains and dispenses liquid soaps and cleansers, such as bubble bath and shampoo. However, once the S&V Gel Pak was introduced into the market, numerous competitors copied its design and started selling its own versions of the Gel Pak. To the best of my knowledge, these products were manufactured in China with inferior materials and sold in the United States by various

retailers, including retailers who had first purchased Gel Pak products from S&V.

FURTHER DECLARANT SAYETH NOT.



Bill Vernor, Vice President
Smith & Vandiver, Corporation

Smith & Vandiver Corporation
Gel Pak Sales

	UNITS	WHOLESALE \$	EST. RETAIL \$
2002	570,000	994,427	1,529,887
2003	996,721	1,495,382	2,300,587
2004	637,755	1,020,049	1,569,306
2005	438,900	701,927	1,079,888
2006 JAN-AUG	389,990	433,067	787,395
	3,033,366	4,644,852	7,267,063

EXH. 1

You've
been

**HOT
PICKED!**

Several Teen People and Trendspotter™ named the MACOS
and their "Hot Pick" and chosen product a "Hot Choice" and one
their product makes their MACOS Hot Pick List!

The Teen People™ Trendspotter™ are an exclusive community
of over 12,000 influential teen females the age of 13-24.
The Trendspotter™ are Trendspotters™ who have the power to
and the power to help you "Hot Pick" the best product.



MACOS
Trendspotter™
Hot Pick List
2004

To learn more about your "Hot Pick"
product, please go to the best in class at MACOS.
The Trendspotter™ are Trendspotters™ who have the power to
and the power to help you "Hot Pick" the best product.

MACOS
Trendspotter™
Hot Pick List
2004

For more information about the Teen People™
Trendspotter™, please call: Macos Community
Manager, Trendspotter Marketing at 212-522-5096.

PRODUCT NAME:

Good Clean Fun



2004
Teen People
Trendspotter
Hot Pick
Winner

Teen
People

WHAT'S NOW • WHAT'S NEXT • WHAT MATTERS



And the winner is...



And the winner is...

Hottest Packaging

Good Clean Fun

Body Feeling for Kids



BFK-11
(65g)



BFK-12
(65g)



BFK-05
(70g)



BFK-13
(90g)



BFK-14
(100g)



BFK-15
(220g)



BFK-16
(75g)



BFK-17
(150g)



BFK-18
(80g)



BFK-19
(70g)



BFK-20
(110g)



BFK-21
(85g)



Ladycare®



Ladycare Amenities Mfg. Co. Ltd.

Head Office: 2207-11, Telford House, 16 Wang Hai Road,

Kowloon Bay, Kowloon, Hong Kong.

Tel: (852) 2798-8108 Fax: (852) 2707-9882

Factory: Guangdong, China.

Website: www.ladycare.com

Email: ladycare@ladycare.com

* Any custom designs are welcomed.



Product No. 16-BAC-02-010

2004/05/11

Body Feeling for Kids



BFK-03
(180g)



BFK-02
(180g)



BFK-01
(180g)



BFK-06
(180g)



BFK-09
(170g)



BFK-08
(145g)



BFK-05
(180g)



BFK-04
(180g)



BFK-07
(180g)



BFK-10
(200g)



Ladycare®

~ Fulfilling customers' every needs, with the best price, service and quality ~

Ladycare, our company is a leading manufacturer and exporter specialized in extensive range of **Gifts & Premium, Hotel Amenities and Airline Supplies** in Hong Kong for over 20 years.



Contemporary Collections

With our experienced and professional production team, we operate three manufacturing sites, including a **plastic factory**, a **sewing factory** and a **cosmetic factory** in Guangdong, China. We provide **ONE-STOP** service and are fully vertically integrated from raw material procurement to final decorative packaging, we can confidently control over the price and quality of all our products. With an excellence in manufacturing, our company was awarded the ISO 9002 Certificate in 1998.



Food Collections

Kindly "CLICK" our gift sets for your kind consideration; whereas, individual item such as tubes, bottles, soap, fizzer etc are also welcomed. Please feel free to contact us if you are interested in any other items. We are happy to serve you at any time.



Kids Collections

We look forward to hearing from you soon.

Libra Wong

Yours faithfully,

Ladycare Amenities Mfg. Co., Ltd.





Website: www.ladycare.com

Re: Body Feeling For Kids ** fill with bath gel

Item No.	Description	FOBHK Unit price	Packing
BFK-01	180gm bath gel in butterfly shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-02	180gm bath gel in sun flower shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-03	180gm bath gel in flower shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-04	180gm bath gel in tree shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-05	180gm bath gel in dolphin shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-06	180gm bath gel in dolphin shaped PVC pouch	USD0.193/pc	
BFK-07	180gm bath gel in frog shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-08	180gm bath gel in chicken shaped PVC pouch	USD0.38/pc	48pcs 0.052cbm
BFK-09	145gm bath gel in snow shaped PVC pouch	USD0.34/pc	48pcs 0.052cbm
BFK-10	170gm bath gel in bear shaped PVC pouch	USD0.365/pc	48pcs 0.052cbm
BFK-11	200gm bath gel in whale shaped PVC pouch	USD0.40/pc	48pcs 0.052cbm
BFK-12	65gm bath gel in ladybud shaped PVC pouch	USD0.185/pc	
BFK-13	65gm bath gel in fish shaped PVC pouch	USD0.185/pc	
BFK-14	90gm bath gel in chicken shaped PVC pouch	USD0.22/pc	
BFK-15	100gm bath gel in duck shaped PVC pouch	USD0.23/pc	
BFK-16	220gm bath gel in bear shaped PVC pouch	USD0.43/pc	
BFK-17	75gm bath gel in frog shaped PVC pouch	USD0.20/pc	
BFK-18	150gm bath gel in squirrel shaped PVC pouch	USD0.34/pc	
BFK-19	80gm bath gel in rabbit shaped PVC pouch	USD0.21/pc	
BFK-20	70gm bath gel in small squirrel shaped PVC pouch	USD0.193/pc	
BFK-21	110gm bath gel in cat shaped PVC pouch	USD0.29/pc	
BFK-22	85gm bath gel in dog shaped PVC pouch	USD0.215/pc	
BFK-23	170gm bath gel in cat shaped PVC bottle	USD0.47/pc	36/72pcs 0.042cbm
BFK-24	160gm bath gel in dog shaped PVC bottle	USD0.45/pc	
BFK-25	170gm bath gel in bear shaped PVC pouch	USD0.47/pc	

Order qty : 110,000pcs/style

Out of the Blue (Hong Kong) Limited
 Unit 1401-02, 14/F., Shiu Lam Building, 23 Luard Road, Wanchai, Hong Kong.
 Tel: 852 2904 3822 Fax: 852 2904 2229 Email: sales@oob.com.hk

Item No	Description	Product Image	Price	FOB
10/4820	Heart Bath Fizzer 8g x 15pcs Packing: Each set in Textile bag 36 bags per display 144bags per master carton Meas: 57.5x40x9cm		USD0.51/set	HongKong
10/4821	Ball Bath Fizzer in white organza bag 25pcs per bag Packing: Each bag with hangtag 24bags per display 144bags per master carton color: assortment: blue, Green, Yellow, Purple and orange Meas: 57.5x27x9cm		USD0.60/set	HongKong
99/5018	Shower Gel - Santa Claus, 180ml Packing: 12pcs per display tray 48pcs per master carton Meas: 48.5 x 28.6 x 27.3cm		USD0.46/pc	Yantian
10/5167	Bath Oil, Duck, Yellow Lemon Scent Packing: 200pcs per drum 1,600pcs per master carton Meas: 34 x 28.2 x 40cm		USD18.85/drum	Yantian

Remark Net Price

Payment By T/T 30% Deposit + Balance 7 days before shipment

Delivery 45-60 days after order confirmation

Packing Price are based on our standard packaging

"Easter Bunny"
Coin Purse



Bath
Gels



Funky Feather
Fun Pen

Extra Soft & Cushy



Boba
Pillow

Piggy
Lipgloss



TOYS

Light-Up
High Bounce
Ball



Sidewalk
Chalk
Paint Brush



9 Gram
Clay Chip



Texas
Hold 'Em



Ing Tea Pot

Beetle™ Cabrio



Electronic Guitar



Mako Shark
Corvette



Custom Chopper



Muscle Machi
69 Chevy Camaro



DIE-CAST

if These Showrooms/Shows:

Atlanta Gift Mart #1700
Dallas Gift Mart #1949
Billerica #310
Seattle Gift Mart #251
N.Y. Gift Show #1253-1253
Overland Park (KC) #421
Alaska Trade Center #103

Magic Show Las Vegas (C. MARIE / EJ ENT.)
JJ Assoc. Columbus Mart #110
Gift Street Inc. Minnesota Gift Mart #B-149
Marketplace Chicago Merchant Mart #13-140
Lori Minden & Assoc. San Francisco Show #2740
Terry Moore & Assoc. Denver Merch. Mart #1211-1221
Sales Connection Oaks Show #2722-2731
EJ/Joie Salem Los Angeles Gift Show #1817-1821

P.O. Box 90790

City of Industry, CA 91715

PH: (626) 923-1913 • (800) 279-8065

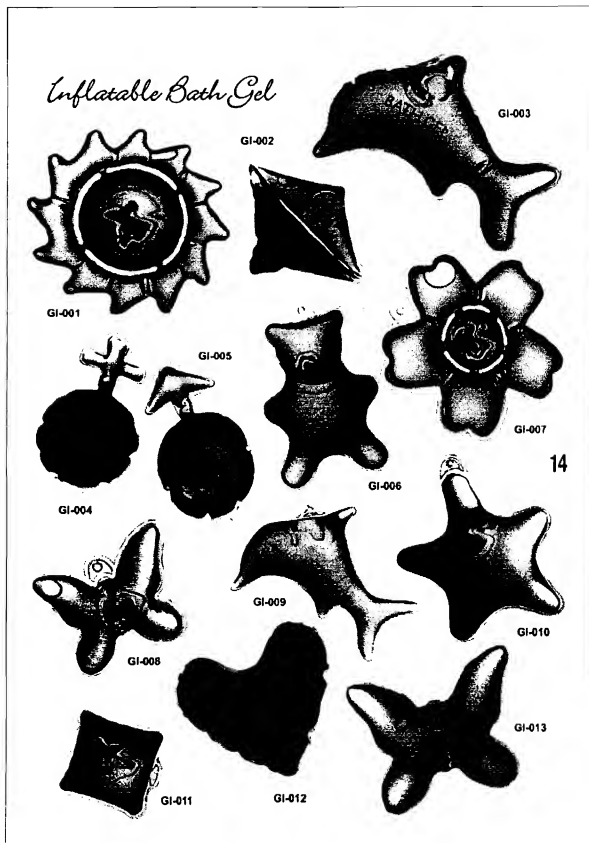
FAX: (626) 369-1234

www.ej-enterprises.com
For More Information Circle No. 109



2005 New Product





BATH & SHOWER GEL



DD-0E001a
55ml/1.9oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E002
55ml/1.9oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E003
45ml/1.6oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E004
45ml/1.6oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E005
50ml/1.8oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E006
55ml/1.9oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372

TD-S005



TD-S006
55ml/1.9oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E007
60ml/2.1oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E008
60ml/2.1oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E009
50ml/1.8oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E010
55ml/1.9oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E011
40ml/1.4oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E012
30ml/1.1oz
30 pcs/drum,
180 pcs/ctn
CBM 0.0372



DD-0E013
55ml/1.9oz
30 pcs/drum,
180 pcs/ctn
CBM 0.0372



DD-0E014
40ml/1.4oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E015
55ml/1.9oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E016
30ml/1.1oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E017
35ml/1.2oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E018
45ml/1.6oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372



DD-0E020
45ml/1.6oz
30 pcs/drum, 180 pcs/ctn
CBM 0.0372

TRUMP ELEGANT
凤皇实业有限公司 (香港) 办公地址: 深圳市福田区福华一路48号贸易中心商务大厦901室
TRUMP ELEGANT INDUSTRIAL LIMITED (H.K.)
深圳凤皇实业礼品有限公司
SHENZHEN TRUMP ELEGANT
BATH & GIFT WARES COMPANY LIMITED

工厂地址: 深圳市宝安区西乡街道西乡社区西乡一路1号厂房
Factory add: No. 1 Factory Building, Yu Xue Qing Street Road, Long
Lang Chang Town, Long Gang District, Shenzhen.
Tel: 86-755-82331708 Fax: 86-755-82331709 Post:
E-mail: web@sztd-elem.com sztd-elem.com Http://www.sztd-elem.com

Executive Summary

Soap, bath and shower products, by the numbers

The FDM market for soap, bath and shower products in 2006 is estimated at \$1,634 million. This represents a 4% gain over 2004, but a 6% decline over the entire period from 2001. Sales of such products through natural food stores are estimated to add another \$69 million to the market, representing a gain of 30% since 2003. Mintel estimates that Wal-Mart will account for sales of \$549 million in 2006.

Competition driving major efforts to differentiate

Pretty much everyone uses some sort of soap product to wash their hands and shower/bathe. This tends to keep competition high and limits price increases. Unless manufacturers can find a way to encourage consumers to wash their hands and bodies more often or pay more for specialty versions, sales gains are limited to what can be taken away from the competition.

Manufacturers' efforts to increase sales currently focus around differentiation, or specialization. Brands are splintering from a few, more general, lines into many lines with specific positioning: masculine, feminine, kids, and with specific functional ingredients. Categories overlap, as well, e.g., men's spa, kids' natural, luxury botanical, etc.

More for men

Although most soap, bath and shower products are still aimed at, and bought by, women, male-oriented products continue to grow. Manufacturers have been introducing additional lines aimed specifically at men, particularly in the second half of the 2001-06 period. Major companies like Unilever (AXE, Suave For Men), Colgate-Palmolive (Softsoap For Men) and Procter & Gamble (Old Spice Red Zone/High Endurance, Gillette Complete Skincare) are all busy adding new brands or expanding existing ones into the men's bath/shower area. Non-FDM manufacturers are developing male soap, bath and shower products as well, including cosmetics and skincare specialty companies which sell their products through department and specialty stores, and salons/spas.

Magical botanical

The use of botanical ingredients has been a major trend throughout the 2001-06 period and will continue to be so. Natural or natural-sounding soap, bath and shower products encompass a number of consumer product desires. Botanical-based products seem healthier, more exotic, more spa-like, perhaps even more environment-friendly. Specific botanicals may promise specific results, from moisturizing to skin toning to aromatherapy benefits.